



Summary of Accounts for First Quarter of Fiscal Year Ending March 2026 (Japanese GAAP) (Consolidated)

July 25, 2025

Name of listed company: ES-CON JAPAN Ltd. Listing exchange: Tokyo Stock Exchange
 Code: 8892 URL: <https://www.es-conjapan.co.jp/english/>
 Representative: (Name) Takatoshi Ito (Position) President & Representative Director
 Contact for inquiries: (Name) Minoru Nakanishi (Position) Senior Managing Director TEL: +81-3-6230-9303
 Scheduled date for start of dividend payment: -
 Supplementary explanatory materials created for accounts? Yes/No: No
 Accounts briefing meeting held? Yes/No: No

(Amounts are rounded down to the nearest million yen)

1. Consolidated results for first quarter of fiscal year ending March 2026 (from April 1, 2025 to June 30, 2025)

(1) Consolidated operating results (cumulative)

(% figures show the rate of increase (decrease) compared with the same period of the previous year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
First quarter of fiscal year ending Mar. 2026:	17,581	(7.9)	2,183	(33.6)	836	(70.6)	955	(47.6)
First quarter of fiscal year ended Mar. 2025:	19,098	—	3,289	—	2,840	—	1,821	—

(Note) Comprehensive income

First quarter of fiscal year ending Mar. 2026:
171 million yen [-90.4%]

Fiscal year ended Mar. 2025:
1,784 million yen [NA%]

	Basic earnings per share	Diluted earnings per share
	yen	yen
First quarter of fiscal year ending Mar. 2026:	9.98	9.97
First quarter of fiscal year ended Mar. 2025:	19.08	19.04

(Note) Effective November 29, 2023, the Articles of Incorporation were revised to change the date of settlement of accounts (end date of the fiscal year) from December 31 to March 31 of each calendar year. Due to this revision, results for the fiscal year ended March 2024 were provided for an irregular period of 15 months from January 1, 2023, through March 31, 2024, during which the change in the fiscal year was enacted. For this reason, increases (decreases) compared with the same quarter in the previous year are not presented.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Book value per share
	million yen	million yen	%	yen
First quarter of fiscal year ending Mar. 2026:	471,152	74,200	15.9	781.66
Fiscal year ended Mar. 2025:	459,847	78,681	17.2	827.19

Reference: Equity

First quarter of fiscal year ending Mar. 2026:
74,804 million yen

Fiscal year ended Mar. 2025:
79,140 million yen

2. Dividends

	Annual dividend				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Total
	yen	yen	yen	yen	yen
Fiscal year ended Mar. 2025	—	0.00	—	48.00	48.00
Fiscal year ending Mar. 2026	—				
Fiscal year ending Mar. 2026 (Forecast)		0.00	—	48.00	48.00

(Note) Revisions from latest dividends forecast: None

3. Consolidated earnings forecast for fiscal year ending March 2026 (from April 1, 2025 to March 31, 2026)

(% figures for the full fiscal year show the rate of increase (decrease) compared with the previous fiscal year, and % figures for the first two quarters show the rate of increase (decrease) compared with the same period of the previous year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Basic earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full fiscal year	133,000	17.1	23,000	7.9	17,500	1.0	11,500	2.7	120.17

(Notes) 1. Revisions from latest earnings forecast: None

2. Consolidated earnings forecasts for the first half are made because the Company makes earnings forecasts on an annual basis.

* Explanatory notes

(1) Significant change in scope of consolidation during the first quarter: Yes

Newly included: 1 (Company name) Shiba Real Estate Inc.

Excluded: — (Company name)

(2) Application of accounting treatments specific to preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

1) Changes in accounting policies due to amendment of accounting standards, etc.: None

2) Changes in accounting policies other than 1): None

3) Changes in accounting estimates: None

4) Restatement: None

(4) Number of shares issued and outstanding (common shares)

1) Number of shares issued and outstanding (including treasury shares) at end of fiscal year	First quarter of fiscal year ending Mar. 2026	98,580,887 shares	Fiscal year ended Mar. 2025	98,580,887 shares
2) Number of treasury shares at end of period	First quarter of fiscal year ending Mar. 2026	2,882,254 shares	Fiscal year ended Mar. 2025	2,907,254 shares
3) Average number of shares during period (cumulative)	First quarter of fiscal year ending Mar. 2026	95,685,147 shares	First quarter of fiscal year ended Mar. 2025	95,490,187 shares

(Note) The number of treasury shares at end of period includes shares of ES-CON JAPAN held in a board benefit trust for executives and a share-based payment benefits-type ESOP trust (first quarter of fiscal year ending March 31, 2026: 910,600 shares in the board benefit trust for executives and 517,100 shares in the share-based payment benefits-type ESOP trust). In the calculation of the average number of shares during the period (cumulative total through the quarter), the treasury shares to be subtracted in that calculation includes ES-CON JAPAN shares held in the share-based payment benefits trust for directors and the share-based payment benefits-type ESOP trust (first quarter of the fiscal year ending March 31, 2026: 1,436,878 shares).

* Attached quarterly consolidated financial statements reviewed by a certified public accountant or audit corporation?: Y (voluntary)

* Explanation regarding appropriate use of earnings forecasts, and other notes

The earnings outlook and other forward-looking statements contained in this document are based on information currently available to and certain assumptions that are thought to be reasonable by ES-CON JAPAN. Accordingly, actual business performance and other results may differ materially due to various reasons. For the conditions forming the assumptions on which earnings forecasts are based and explanatory notes for use of earnings forecasts, etc., please see "Attachment; 1. Qualitative Information on Quarterly Results; (3) Consolidated Earnings Outlook and Other Forward-looking Statements" on page 7.

○ Contents of Attachment

1. Qualitative Information on Quarterly Results	4
(1) Explanation of Operating Results	4
(2) Analysis of Financial Position	7
(3) Consolidated Earnings Outlook and Other Forward-looking Statements	7
2. Quarterly Consolidated Financial Statements and Key Notes	8
(1) Quarterly Consolidated Balance Sheet	8
(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income	10
(Quarterly Consolidated Statement of Income)	10
(Quarterly Consolidated Statement of Comprehensive Income)	11
(3) Notes to Quarterly Consolidated Financial Statements	12
(Notes on Going Concern Assumption)	12
(Notes on Substantial Changes in the Amount of Shareholders' Equity)	12
(Notes on the Quarterly Consolidated Statement of Cash Flows)	12
(Additional Information)	13
(Notes on Segment Information, etc.)	15
(Significant Subsequent Events)	16

1. Qualitative Information on Quarterly Results

(1) Explanation of Operating Results

The outlook for the real estate industry in which the ES-CON JAPAN Group operates has remained volatile for various reasons, including soaring land acquisition costs, rising interest rates, increasing development costs attributable to the rising cost of raw materials and personnel, and longer construction periods attributable to labor shortages in the construction industry and workstyle reforms.

For the first quarter of the consolidated fiscal year under review, amid these conditions, the Group achieved the following operating results: net sales of 17,581 million yen (down 7.9% year-on-year); operating income of 2,183 million yen (down 33.6%); ordinary income of 836 million yen (down 70.6%); and profit attributable to owners of parent of 955 million yen (down 47.6%). Our actual results have been progressing, as planned, toward their full-year consolidated earnings targets.

Business conditions are outlined below by segment.

Condominium business

The condominium business generated net sales of 11,087 million yen (up 111.4% year-on-year) and segment profit of 1,888 million yen (up 141.1%), showing gains in both revenue and profit, mainly because we delivered more condominiums than in the previous first quarter. The Company operates this business for a broad range of home buyers, including first-time buyers and buyers of luxury residences. Several factors have helped maintain strong sales, including strong real demand and property appeal generated through development efforts that make the most of locations and our planning capabilities. At the end of the first quarter of the consolidated fiscal year under review, the number of units for which contracts were signed had reached 69.1% of the full-year target.

In addition, in the first quarter of the fiscal year under review, we launched sales of newly-built condominiums including Le JADE Tezukayama (Sumiyoshi Ward, Osaka City), Le JADE Nara Sanjo-dori (Shimosanjocho, Nara City), and Grand Le JADE Mishuku-dori (Setagaya Ward, Tokyo). Sales have progressed steadily.

In the high-end premium location residence sector, the delivery of DIAMAS Hayama (slated for completion in July 2025; contracts concluded for all units) and Grand Le JADE Mishuku-dori (slated for delivery in March 2026; contracts concluded for all units) is slated for the fiscal year ending March 2026.

Actual results for the condominium business for the first quarter of the fiscal year ending March 2026
(million yen)

	First quarter of fiscal year ended Mar. 2025	First quarter of fiscal year ending Mar. 2026	Year-on-year change
Net sales	5,243	11,087	111.4%
Segment profit	783	1,888	141.1%
Segment profit margin	14.9%	17.0%	2.1 points

Major properties completed during the first quarter of the fiscal year ending March 2026

Property name	Total number of units	Location
LeJIAS Ohashi DUX	90 units	Minami Ward, Fukuoka City
Le JADE Nagoya	125 units	Nakamura Ward, Nagoya City

Total number of condominium units delivered during the first quarter of the fiscal year ending March 2026

Total number of units	226 units
-----------------------	-----------

Performance of contracts for condominiums during the first quarter of the fiscal year ending March 2026

Number of units contracted during the first quarter under review	Number of units planned to be delivered during the fiscal year ending March 2026	Rate of progress
691 units	1,000 units	69.1%

Major properties to be completed and delivered during the fiscal year ending March 2026

Property name	Total number of units	Location
DIAMAS Hayama	17 units	Miura District, Kanagawa Prefecture
Le JADE Kumamoto Nisseki-dori	92 units	Higashi Ward, Kumamoto City
Le JADE Koshienguchi	60 units	Nishinomiya City, Hyogo Prefecture
Le JADE Kasai East Avenue	78 units	Edogawa Ward, Tokyo
Le JADE Nishinomiya Koshien	124 units	Nishinomiya City, Hyogo Prefecture
Le JADE Tezukayama	26 units	Sumiyoshi Ward, Osaka City
Grand Le JADE Mishuku-dori	10 units	Setagaya Ward, Tokyo
Le JADE Senri-Fujishirodai Center Residence and West Residence	398 units	Suita City, Osaka

Net sales of condominiums by area during the first quarter of the fiscal year ending March 2026

Kanto area	Kansai area	Chubu area	Kyusyu area	Total
4.2%	13.3%	52.5%	30.0%	100%

Major lands for business newly acquired during the first quarter of the fiscal year ending March 2026

Asset type	Location
Condominiums	Ibaraki City, Osaka

Real estate development business

The real estate development business generated net sales of 1,324 million yen (down 86.0% year-on-year) and segment profit of 324 million yen (down 87.6%). Despite declines in both revenue and profits from the previous first quarter due to a decrease in numbers of properties sold, the business has made progress during the first quarter under review as planned.

In the real estate development business, the Group is moving forward to develop properties of diverse asset types, including the following:

- The tonarie series of community-based retail facilities
- LOGITRES logistics facilities
- TOPAZ apartments
- Hotels
- Office buildings
- Commercial leasehold lands

Actual results for the real estate development business for the first quarter of the fiscal year ending March 2026

(million yen)

	First quarter of fiscal year ended Mar. 2025	First quarter of fiscal year ending Mar. 2026	Year-on-year change
Net sales	9,450	1,324	(86.0%)
Segment profit	2,624	324	(87.6%)
Segment profit margin	27.8%	24.5%	(3.3) points

Actual results for sales for the first quarter of the fiscal year ending March 2026 (million yen)

	First quarter of fiscal year ended Mar. 2025	First quarter of fiscal year ending Mar. 2026
Actual results for sales	<ul style="list-style-type: none"> • ESCON Kudankita Building (office space) • Kotobuki 4-chome, Taito-ku (apartments) • seven x seven Itoshima (hotel) • LOGITRES Sano (logistics) • Towa 5-chome, Adachi-ku (other) 	<ul style="list-style-type: none"> • KOHNAN tonarie Yamato-Takada (leasehold land)

Major commercial sites acquired during the first quarter of the fiscal year ending March 2026

Asset type	Location
Commercial development	Tsukuba City, Ibaraki Prefecture

Real estate leasing business

The real estate leasing business generated net sales of 4,314 million yen (up 12.4% year-on-year) and segment profit of 2,058 million yen (up 17.4%). In addition to its condominium and real estate development businesses, the Group regards the real estate leasing business as a key component of its plans to build a stable revenue structure, and operates this business by developing and acquiring revenue-generating properties, including retail facilities, apartments, logistics facilities, and hotels, and by enhancing the value of the properties. In the first quarter of the fiscal year under review, the Group revenue was boosted mainly by new tenants in its retail facilities and increases in full-scale opening of tonarie KITAHIROSHIMA and ES-CON Field Hokkaido Hotel Kitahiroshima Ekimae.

In addition, we acquired all shares of Shiba Real Estate Inc. effective April 1, 2025, adding additional revenue-generating real estate properties owned by that company to our portfolio. These properties have contributed to revenue from the first quarter of the fiscal year under review.

Actual results for the real estate leasing business for the first quarter of the fiscal year ending March 2026 (million yen)

	First quarter of fiscal year ended Mar. 2025	First quarter of fiscal year ending Mar. 2026	Year-on-year change
Net sales	3,837	4,314	12.4%
Segment profit	1,752	2,058	17.4%
Segment profit margin	45.7%	47.7%	2.0 points

Asset management business

The asset management business generated net sales of 491 million yen (up 7.9% year-on-year) and segment profit of 251 million yen (down 12.7%). Revenue grew from the previous first quarter mainly due to an increase in balance of assets under management in the asset management business, an increase in numbers of entrusted properties in the property management, and an increase in number of properties under management in the condominium management. Meanwhile, year-on-year profit declined mainly due to fees recorded in the previous first quarter to replace assets owned by ESCON JAPAN REIT Investment Corporation, which ES-CON ASSET MANAGEMENT Ltd. is entrusted with for investment.

Actual results for the asset management business for the first quarter of the fiscal year ending March 2026 (million yen)

	First quarter of fiscal year ended Mar. 2025	First quarter of fiscal year ending Mar. 2026	Year-on-year change
Net sales	455	491	7.9%
Segment profit	287	251	(12.7%)
Segment profit margin	63.2%	51.2%	(12.1) points

Other businesses

Other businesses generated net sales of 363 million yen (up 227.1% year-on-year) and segment profit of 31 million yen (up 92.5%) thanks mainly to dividends received from overseas businesses.

Actual results for other businesses for the first quarter of the fiscal year ending March 2026 (million yen)

	First quarter of fiscal year ended Mar. 2025	First quarter of fiscal year ending Mar. 2026	Year-on-year change
Net sales	111	363	227.1%
Segment profit	16	31	92.5%
Segment profit margin	14.7%	8.6%	(6.0) points

(2) Analysis of Financial Position

Assets at the end of the first quarter of the consolidated fiscal year under review were up 11,304 million yen from the end of the previous consolidated fiscal year to 471,152 million yen. This was attributable mainly to decreases of 10,918 million yen in cash and deposits and increases of 13,728 million yen and 7,392 million yen, respectively, in inventories and in property, plant and equipment.

Liabilities rose 15,785 million yen from the end of the previous consolidated fiscal year to 396,952 million yen. This was attributable mainly to an increase of 23,458 million yen in long-term and short-term loans payable.

Net assets decreased by 4,481 million yen from the end of the previous consolidated fiscal year to 74,200 million yen. This was attributable mainly to cash dividends paid of 4,661 million yen, despite the recording of profit attributable to owners of parent of 955 million yen. As a result, the equity ratio was 15.9% (vs. 17.2% at the end of the previous consolidated fiscal year).

(3) Consolidated Earnings Outlook and Other Forward-looking Statements

The consolidated earnings outlook remains unchanged from the outlook announced on April 25, 2025.

2. Quarterly Consolidated Financial Statements and Key Notes

(1) Quarterly Consolidated Balance Sheet

(million yen)

	Fiscal year ended Mar. 2025 (as of Mar. 31, 2025)	First quarter of fiscal year ending Mar. 2026 (as of June 30, 2025)
Assets		
Current assets		
Cash and deposits	46,802	35,883
Notes and accounts receivable - trade and contract assets	1,259	1,282
Real estate for sale	8,072	5,033
Real estate for sale in process	263,066	279,834
Other	15,902	18,292
Allowance for doubtful accounts	(0)	(0)
Total current assets	335,103	340,326
Non-current assets		
Property, plant and equipment		
Buildings and structures	32,981	33,798
Accumulated depreciation	(5,715)	(6,186)
Buildings and structures, net	27,265	27,612
Land	56,231	63,276
Other	617	632
Accumulated depreciation	(394)	(410)
Other, net	222	222
Total property, plant and equipment	83,719	91,111
Intangible assets		
Goodwill	15,188	14,964
Other	88	82
Total intangible assets	15,277	15,047
Investments and other assets		
Other	27,523	26,445
Allowance for doubtful accounts	(1,812)	(1,812)
Total investments and other assets	25,711	24,632
Total non-current assets	124,708	130,791
Deferred assets		
Bond issuance cost	36	34
Total deferred assets	36	34
Total assets	459,847	471,152

(million yen)

	Fiscal year ended Mar. 2025 (as of Mar. 31, 2025)	First quarter of fiscal year ending Mar. 2026 (as of June 30, 2025)
Liabilities		
Current liabilities		
Short-term loans payable	4,735	6,258
Current portion of long-term loans payable	66,387	72,100
Income taxes payable	6,373	348
Other	18,158	16,315
Total current liabilities	95,654	95,022
Non-current liabilities		
Bond payable	7,400	7,400
Long-term loans payable	257,872	274,094
Provision for directors' share-based benefits	229	229
Provision for share-based benefits	128	138
Asset retirement obligations	278	278
Other	19,602	19,788
Total non-current liabilities	285,512	301,929
Total liabilities	381,166	396,952
Net assets		
Shareholders' equity		
Capital stock	16,519	16,519
Capital surplus	12,523	12,525
Retained earnings	51,247	47,541
Treasury shares	(1,344)	(1,336)
Total shareholders' equity	78,946	75,249
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	47	140
Foreign currency translation adjustment	146	(585)
Total accumulated other comprehensive income	194	(445)
Subscription rights to shares	0	0
Non-controlling interests	(459)	(604)
Total net assets	78,681	74,200
Total liabilities and net assets	459,847	471,152

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income
(Quarterly Consolidated Statement of Income)

(million yen)

	First quarter of fiscal year ended Mar. 2025 (from Apr. 1, 2024 to June 30, 2024)	First quarter of fiscal year ending Mar. 2026 (from Apr. 1, 2025 to June 30, 2025)
Net sales	19,098	17,581
Cost of sales	12,992	12,228
Gross profit	6,106	5,353
Selling, general and administrative expenses	2,816	3,169
Operating income	3,289	2,183
Non-operating income		
Interest income	0	0
Dividend income	63	67
Penalty income	7	67
Foreign exchange gains	230	—
Other	11	9
Total non-operating income	313	145
Non-operating expenses		
Interest expenses	736	1,260
Amortization of share issuance cost	—	2
Foreign exchange losses	—	82
Share of loss of entities accounted for using equity method	21	134
Other	5	13
Total non-operating expenses	763	1,492
Ordinary income	2,840	836
Extraordinary income		
Gain on sale of shares of subsidiaries and associates	—	191
Gain on bargain purchase	—	86
Gain on change in equity	—	253
Total extraordinary income	—	531
Extraordinary losses		
Loss on retirement of non-current assets	0	0
Total extraordinary losses	0	0
Profit before income taxes	2,840	1,367
Income taxes - current	971	308
Income taxes - deferred	42	191
Total income taxes	1,013	500
Profit	1,826	867
Profit (loss) attributable to non-controlling interests	4	(87)
Profit attributable to owners of parent	1,821	955

(Quarterly Consolidated Statement of Comprehensive Income)

(million yen)

	First quarter of fiscal year ended Mar. 2025 (from Apr. 1, 2024 to June 30, 2024)	First quarter of fiscal year ending Mar. 2026 (from Apr. 1, 2025 to June 30, 2025)
Profit	1,826	867
Other comprehensive income		
Valuation difference on available-for-sale securities	(18)	92
Foreign currency translation adjustment	(28)	(646)
Share of other comprehensive income of entities accounted for using equity method	5	(142)
Total other comprehensive income	(41)	(696)
Comprehensive income	1,784	171
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	1,780	316
Comprehensive income attributable to non-controlling interests	4	(145)

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable

(Notes on Substantial Changes in the Amount of Shareholders' Equity)

Not applicable

(Notes on the Quarterly Consolidated Statement of Cash Flows)

No Quarterly Consolidated Statement of Cash Flows is prepared for the cumulative period through the first quarter of the consolidated fiscal year under review. Depreciation (including amortization of intangible assets other than goodwill) and amortization of goodwill for the cumulative period through the first quarter of the consolidated fiscal year are shown below.

	(million yen)	
	First quarter of fiscal year ended Mar. 2025 (from Apr. 1, 2024 to June 30, 2024)	First quarter of fiscal year ending Mar. 2026 (from Apr. 1, 2025 to June 30, 2025)
Depreciation	432	492
Amortization of goodwill	248	224
Gain on bargain purchase	N/A	84

(Additional Information)

(Board Benefit Trust for Executives)

(1) Overview of the transaction

- 1) ES-CON JAPAN passed a resolution to introduce the performance-based stock reward system (the "System"; The trust established based on the trust agreement concluded with Resona Bank, Limited for the System is referred to as "board benefit trust for executives") at the Annual General Meeting of Shareholders held on March 20, 2015, with an aim to further clarify the relationship between remuneration for ES-CON JAPAN's directors (excluding directors who are Audit and Supervisory Committee Members, external directors, nonexecutive directors and nonresidents of Japan) and (authorized) executive managing officers (excluding nonresidents of Japan; the "Directors, etc."; hereinafter referred to as the same unless otherwise specified) and ES-CON JAPAN's operating results and share price, with the Directors, etc. not only benefiting from a rise in share price but also sharing the same risks as shareholders in relation to a fall in share price, thereby increasing awareness of contribution to the medium- to long-term improvement of operating results and enhancement of corporate value. Furthermore, ES-CON JAPAN passed resolutions on continuation and partial revision of the System for Directors, etc. in the Annual General Meeting of Shareholders held on March 26, 2020, the Annual General Meeting of Shareholders held on March 26, 2021, the Extraordinary General Meeting of Shareholders held on November 29, 2023, and the Annual General Meeting of Shareholders held on June 25, 2024.

The System after the revision is an incentive system by which ES-CON JAPAN contributes money to a trust with the trust acquiring shares of ES-CON JAPAN with said money as capital, and shares of ES-CON JAPAN and the fair market value of shares of ES-CON JAPAN are granted to ES-CON JAPAN's Directors, etc. through the trust in accordance with the operating results achievement rate, etc. pursuant to the officer stock ownership regulations set by ES-CON JAPAN. In principle, shares of ES-CON JAPAN will be granted to the Director, etc. of ES-CON JAPAN after finalization of business results for the final fiscal year of the subject period. If shares are granted while the Director, etc. remains in office, they will be granted subject to restrictions on transfer until said Director, etc. retires from all positions such as director of ES-CON JAPAN, under an agreement on restriction of transfer concluded between ES-CON JAPAN and the Director, etc. prior to granting of the shares.

ES-CON JAPAN will contribute to the trust money of up to 150 million yen per fiscal year multiplied by the subject period during the period of three fiscal years from the fiscal year ended March 2025 through the fiscal year ending March 2027 and each subsequent Medium-Term Management Plan period.

- 2) Total number of shares to be granted to the Directors, etc.
 - Resolution passed at the Annual General Meeting of Shareholders held on March 20, 2015
Upper limit of funds for acquisition of shares (for the five fiscal years from the fiscal year ended December 2015 to the fiscal year ended December 2019): 240 million yen
 - Resolution passed at the Annual General Meeting of Shareholders held on March 26, 2020
Upper limit of funds for acquisition of shares (for the three fiscal years from the fiscal year ended December 2020 to the fiscal year ended December 2022, and each subsequent period of three fiscal years): 330 million yen
 - Resolution passed at the Annual General Meeting of Shareholders held on March 26, 2021
Upper limit of funds for acquisition of shares (for the three fiscal years from the fiscal year ended December 2021 to the fiscal year ended December 2023, and each subsequent period of three fiscal years): 330 million yen
 - Resolution passed at the Extraordinary General Meeting of Shareholders held on November 29, 2023
Upper limit of funds for acquisition of shares (for the three fiscal years from the fiscal year ended December 2021 to the fiscal year ended March 2024, and each subsequent period of three fiscal years): 330 million yen
 - Resolution passed at the Annual General Meeting of Shareholders held on June 25, 2024
Upper limit of funds for acquisition of shares (for the three fiscal years from the fiscal year ended March 2025 through the fiscal year ending March 2027): 450 million yen; upper limit of funds for acquisition of shares (for each subsequent Medium-Term Management Plan period): 150 million yen per fiscal year multiplied by the subject period

- 3) Scope of persons who are eligible to receive beneficiary rights and other rights under the System
The Directors, etc. of ES-CON JAPAN who have acquired the right to receive shares based on the officer stock ownership regulations.

(2) Residual Shares of ES-CON JAPAN in the Trust

Residual shares of ES-CON JAPAN in the trust are recorded as treasury shares under net assets using the book value in the trust (excluding incidental expenses). The book value of treasury shares and number of shares were 419 million yen and 912,000 shares for the fiscal year ended March 2025 and 419 million yen and 910,600 shares for the first quarter of the fiscal year ending March 2026.

(Share-Based Payment Benefits-Type ESOP Trust)

(1) Overview of the transaction

ES-CON JAPAN passed a resolution to introduce a share-based payment benefits-type ESOP (the "System"; the trust established based on the trust agreement concluded with Resona Bank, Limited for the System is referred to as "share-based payment benefits-type ESOP trust") at the board of directors meeting held on March 20, 2015, with an aim to further enhance the benefit program for its employees and raise their motivation and morale for improving the share price and operating results. Furthermore, ES-CON JAPAN passed a resolution for continuation and partial revision of the share-based payment benefits-type ESOP trust for employees at the board of directors' meeting held on October 25, 2023.

The System after the revision is a system by which ES-CON JAPAN contributes money to a trust for a new period of seven fiscal years from the fiscal year ended December 2022 to the fiscal year ending March 2029 and the period of the seven fiscal years after the elapse of the period, with the trust acquiring shares of ES-CON JAPAN with said money as capital, and shares of ES-CON JAPAN are granted to ES-CON JAPAN Group's employees who have satisfied certain requirements through the trust, pursuant to the stock ownership regulations set by ES-CON JAPAN.

(2) Residual Shares of ES-CON JAPAN in the Trust

Residual shares of ES-CON JAPAN in the trust are recorded as treasury shares under net assets using the book value in the trust (excluding incidental expenses). The book value of treasury shares and number of shares were 337 million yen and 532,700 shares for the fiscal year ended March 2025 and 333 million yen and 517,100 shares for the first quarter of the fiscal year ending March 2026.

(Notes on Segment Information, etc.)

[Segment Information]

I. First quarter of fiscal year ended March 2025 (from April 1, 2024 to June 30, 2024)

1. Information on Net Sales and Income or Loss Amounts by Reporting Segment and Information on Breakdown of Revenue

(million yen)

	Reporting segment					The others (Note 1)	Total	Recon- ciliation (Note 2)	Amount on quarterly consolidated statement of income (Note 3)
	Condominium business	Real estate development business	Real estate leasing business	Asset management business	Total				
Net sales									
Revenue from contracts with customers	5,243	9,450	17	454	15,166	111	15,277	—	15,277
Other revenue (Note 4)	—	—	3,820	0	3,821	—	3,821	—	3,821
Net sales to external customers	5,243	9,450	3,837	455	18,987	111	19,098	—	19,098
Intersegment net sales or transfers	—	—	—	—	—	—	—	—	—
Total	5,243	9,450	3,837	455	18,987	111	19,098	—	19,098
Segment income	783	2,624	1,752	287	5,448	16	5,464	(2,174)	3,289

(Notes) 1. "The others" includes business segments not covered by the reporting segments, such as overseas and other investment businesses, funeral hall operations (Ryomon), and brokerage and consulting services.

2. The reconciliation of segment income or segment loss of -2,174 million yen is corporate expenses not attributable to any reporting segment. Corporate expenses are general and administrative expenses not attributable to reporting segments.

3. Segment income or segment loss is reconciled with operating income on the quarterly consolidated statement of income.

4. "Other revenue" is rental income, etc. based on "Accounting Standard for Lease Transactions."

2. Information on Impairment Loss on Non-Current Assets or Goodwill, etc. by Reporting Segment

Not applicable

II. First quarter of fiscal year ending March 2026 (from April 1, 2025 to June 30, 2025)

1. Information on Net Sales and Income or Loss Amounts by Reporting Segment and Information on Breakdown of Revenue

(million yen)

	Reporting segment					The others (Note 1)	Total	Recon- ciliation (Note 2)	Amount on quarterly consolidated statement of income (Note 3)
	Condominium business	Real estate development business	Real estate leasing business	Asset management business	Total				
Net sales									
Revenue from contracts with customers	11,087	1,324	—	489	12,902	193	13,096	—	13,096
Other revenue (Note 4)	—	—	4,314	1	4,315	169	4,485	—	4,485
Net sales to external customers	11,087	1,324	4,314	491	17,218	363	17,581	—	17,581
Intersegment net sales or transfers	—	—	—	—	—	—	—	—	—
Total	11,087	1,324	4,314	491	17,218	363	17,581	—	17,581
Segment income	1,888	324	2,058	251	4,522	31	4,553	(2,370)	2,183

(Notes) 1. "The others" includes business segments not covered by the reporting segments, such as overseas and other investment businesses, funeral hall operations (Ryomon), and brokerage and consulting services.

2. The reconciliation of segment income of -2,370 million yen is corporate expenses not attributable to any reporting segment. Corporate expenses are general and administrative expenses not attributable to reporting segments.

3. Segment income is adjusted with operating income in the quarterly consolidated statements of income.

4. "Other revenue" is rental income, etc. based on "Accounting Standard for Lease Transactions" and "Accounting Standard for Financial Instruments".

2. Information on assets by reporting segment

(Significant increase in assets due to acquisition of subsidiaries)

In the first quarter of the fiscal year under review, we newly included Shiba Real Estate Inc. in the scope of consolidation by acquiring its shares. As a result, in terms of increase in assets by reporting segment from the end of the previous fiscal year, an increase of 20,520 million yen in the real estate leasing business was significant.

3. Change affecting business segments

(Significant gains on bargain purchase)

The Company recognized a bargain purchase gain in the real estate leasing business segment when it acquired shares of Shiba Real Estate, which was included in the scope of consolidation for the first quarter of the fiscal year under review. The bargain purchase gain recorded for this event was 86 million yen. Note that this transaction is not included for purposes of segment profit since a bargain purchase gain counts as extraordinary income.

(Significant Subsequent Events)

Not applicable